



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: 12/13/2011
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Robert W. Geis, CPA x2100
Contact Info: Jennifer Christensen x2134
SUBJECT: Amendment No. 2 to the Contract with Brown Armstrong Accountancy for County's FY 2011-12 Financial Audits

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: Risk Management

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors approve and authorize the Chair to execute AMENDMENT No.2 to the contract with Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter Accountancy Corporation in the amount of \$148,400 to perform the County's fiscal year 2011-12 financial audit and Single Audit, and the First 5 Commission's fiscal year 2011-12 financial audit, and the Redevelopment Agency's (RDA) fiscal year 2011-12 financial and compliance audits.

Summary:

State law requires that every Board of Supervisors cause an audit of the County's financial accounts and records (Govt. Code section 25250.) State law requires that every Redevelopment Agency present to its legislative body its audited annual report within six months of its fiscal year end (Health & Safety Code section 33080.) State law requires that every county First 5 Commission on or before October 15 shall have an audit conducted and a report issued (Health & Safety Code section 130150.)

The subject contract with Brown Armstrong commenced with the fiscal year 2009-10 audit, with two options to renew for the same cost and terms for fiscal year 2010-11 and 2011-12. The contract price for the audits of the County, the County's RDA, and the County's First 5 fund is \$148,400 for each of the three years; it is premised on the County supplying 300 hours of Internal Audit support. Upon execution of AMENDMENT No. 2 in the amount of \$148,400 for the fiscal 2011-12 audits the full value of the contract will be \$445,200.

First 5 and the Redevelopment Agency concur.

Background:

After going through a formal RFP process in 2006 the County awarded the contract to Brown Armstrong Accountancy Corporation on January 16, 2007. Brown Armstrong successfully completed the statement of work for fiscal years 2006-07, 2007-08, and 2008-09. On February 16, 2010, the County awarded Brown Armstrong a contract for up to three additional years for the purpose of auditing the County’s financial statements and completing the Single Audit. In addition to the scope of work covered by the previous contract, the contract also included audit services required for ARRA funding.

Performance Measures:

- 1. Publish the County’s Comprehensive Annual Financial Report (CAFR) within 60 days of fiscal year end. 2. Receive unqualified opinion and the Government Finance Officers Association award for excellence on the County’s CAFR.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost</u>	<u>Total Contract to Date</u>	<u>FY 2011-12 (if exercised)</u>
General Fund - Financial Audit	\$ 62,000.00	\$ 186,000.00	\$ 62,000.00
General Fund - Single Audit	36,840.00	110,520.00	36,840.00
General Fund - Single Audit (ARRA)	20,000.00	60,000.00	20,000.00
RDA Fund	18,100.00	54,300.00	18,100.00
First 5 Fund	11,460.00	34,380.00	11,460.00
Total	<u>\$ 148,400.00</u>	<u>\$ 445,200.00</u>	<u>\$ 148,400.00</u>

Narrative: The contract amount for the audits for fiscal year ending 6-30-12 is \$148,400 and covers the County and its RDA and First 5 funds. The timing of the audit work spans two fiscal years; roughly one half of the contract will be paid and the remainder accrued against the 11-12 fiscal year’s budget. Approximately 40% of the general fund costs are reimbursable from state and federal programs through the Cost Allocation Plan.

Staffing Impact(s):

Legal Positions:

FTEs:

Special Instructions:

Please send a copy of the signed contract amendment to Auditor’s Office.

Attachments:

- 1. Amendment No. 2: Agreement for Services of Independent Contractor between the County of Santa Barbara and Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter Accountancy Corporation.
- 2. Contract Summary Form

Authored by: LeAnne Hagerty, CPA (568-2180)

cc: First 5; Redevelopment Agency